

**OFFICE OF THE TREASURER**

P. O. BOX 942809  
SACRAMENTO, CA 94209-0001

**MEMORANDUM**

**Date:** May 13, 2005

**To:** Reporters and Editorial Boards

**From:** Press Office of State Treasurer Phil Angelides

**Subject:** May Budget Revision Update: Governor Schwarzenegger's Tax and Fee Increases on Working Families, Seniors and Students

Since he was elected, Governor Schwarzenegger has repeatedly promised he "will not raise taxes." He will undoubtedly repeat his familiar line today when he unveils his revised budget for 2005-06. But what he really means is that, while he is more than willing to raise taxes and fees on working families, seniors and students, he will not raise taxes on the wealthiest Californians or close tax loopholes benefiting his corporate special-interest friends.

As the chart below details, Governor Schwarzenegger has proposed or signed tax and fee increases on ordinary Californians that would result in their paying \$1.751 billion more over this and next fiscal year than when he took office. Even if the Governor, in response to criticisms by senior groups and elected officials like State Treasurer Phil Angelides, withdraws his plan to raise taxes on senior, disabled and blind homeowners and renters, his two-year total of tax and fee increases will still be \$1.616 billion.

### Governor Schwarzenegger's tax and fee increase proposals on working families, seniors & students

Increase	(in millions)	
	2004-05	2005-06
Raise higher education fees		
Community college	\$114.0	\$114.0
UC-CSU 1st increase	\$358.0	\$358.0
UC-CSU 2nd increase		\$190.0
Raise park fees	\$18.0	\$18.0
Raise family child care fees	\$22.3	
Increase premiums for Health Families		\$12.0
Suspend teacher tax credit	\$210.0	\$180.0
Increase Medi-Cal premiums		\$22.0
Reduce senior tax assistance		\$135.0
<b>Total</b>	<b>\$722.3</b>	<b>\$1,029.0</b>
<b>Amount Californians will pay over two years above what they paid when Governor Schwarzenegger took office</b>		<b>\$1,751.3</b>